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INFO RUEHKA/AMEMBASSY DHAKA IMMEDIATE 9001
RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 1928
RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 8839
RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 3965
RUEHLO/AMEMBASSY LONDON IMMEDIATE 3385
RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 3692
RUEAIIA/CIA WASHDC IMMEDIATE
RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 1703
RHEHNSC/NSC WASHDC IMMEDIATE
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C O N F I D E N T I A L KATHMANDU 002565

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TAGS: [PREL](#) [PTER](#) [PHUM](#) [PGOV](#) [AMGT](#) [NP](#)
SUBJECT: FM PANDEY: BITTER TOWARD INDIA, NEED TO
STRENGTHEN U.S.-NEPAL RELATIONS

REF: KATHMANDU 2556

Classified By: Amb. James F. Moriarty, Reason 1.4 (b/d)

Summary

¶1. (C) Hosting the Ambassador over one-on-one drinks at his home just hours after returning to Nepal from his international travel, FM Pandey was particularly bitter toward the Government of India (GOI), accusing them of brokering the recent Maoist-Parties understanding (ref A). Pandey indicated he wanted to try again to strengthen U.S.-Nepal ties. He objected to Senator Leahy's recent statement about Nepal, but acknowledged that Nepal needed to improve its relations with the USG, including Congress. He agreed the Ambassador's proposal that the King should call for an internationally-monitored cease-fire was worth considering. End Summary.

India Behind Maoist-Parties Understanding

¶2. (C) Foreign Minister Pandey asserted that His Majesty's Government of Nepal (HMGN) believed that India had brokered the Maoist-Parties understanding. Pandey claimed that "calling for a constituent assembly is a way to achieve the Sikkimization of Nepal." (N.B. India annexed Sikkim in 1974, hollowing a referendum in that once-independent kingdom.) He stated that although the King's meeting in Dhaka with Indian PM Singh had been good, India had subsequently arranged for the Maoists and Parties to come together. The Ambassador noted that, while the GOI might have made talks between the Maoists and Parties possible, Indian officials tell us that they continued to want reconciliation between the King and the political parties. Pandey remarked that the extreme right faction in Nepal was already pushing to have the Parties declared supporters/sympathizers of terrorists, which would subject them to the treason provisions of the Offence against the State and Punishment Act, 1989. The Ambassador noted that he had informed Washington that if the political parties signed an agreement with the Maoists and the latter returned to war, HMGN might act against the Parties. The Ambassador warned Pandey, however, that the international

community was likely to react strongly if HMGN did so.

King Should Call For Internationally Monitored Cease-Fire

13. (C) The Ambassador recommended to Pandey that the King could retake the initiative by calling for an internationally monitored cease-fire. The Ambassador explained that the King should publicly announce that the current Maoist cease-fire is flawed -- abductions and extortion are up and the Maoists continue to murder and act against civilians. But, recognizing that his people want peace, the King should call for a real case-fire; all three parties could sit down to discuss its parameters and invite international observers to monitor it. Pandey eventually agreed to raise the proposal with the King.

Let's Be Friends Again

14. (C) During the three-hour conversation, Pandey expressed irritation with both the U.K.'s Ambassador Bloomfield and with India's Nepal policy, charging that their goal was the crushing of Nepal's independence. In that context, the FM appealed for a special relationship between the U.S. and Nepal. He stressed that the U.S. should not let India drive its policy toward Nepal. (Note: The FM had taken a very cool approach to the U.S. following the decision not to invite the King to the President's UNGA reception. End note.) Pandey suggested that he could travel to Washington with a letter from the King. The Ambassador reminded Pandey that Washington did not much trust the King, whose actions in July (expanding the Cabinet with corrupt and criminal cronies as well as imprisoning former Prime Minister Deuba on corruption

charges) had convinced the U.S. that he was more interested in power than democracy. We were waiting to see the King take positive, concrete actions. The Ambassador informed FM Pandey that he was being recalled to Washington for consultations.

15. (C) Pandey voiced strong criticism of Senator Leahy's November 18 statement on Nepal. He added that he realized that Senator Leahy himself did not write the statement, and acknowledged that Nepal needed to work better with the USG as a whole, including Congress. He noted that he planned to write a letter to the Senator, and perhaps ask Nepal's Ambassador to meet with Senator Leahy to deliver it.

16. (C) The Ambassador expressed deep concern about the Ministry's excessively slow response to various Embassy requests (e.g., clearance for material for the new Embassy's construction, extension of school visas, visas for employees working on the new construction). Implying that the delay was indeed intentional, Pandey responded that our diplomatic note stating we would not transfer the weapons brought in to Nepal for the October-November Anti-Terror Assistance training had caused him lots of problems. The Ambassador pushed back and explained that the Embassy had argued strongly for that training to take place, and the delay in transferring the weapons until we resumed lethal security assistance was a necessary compromise. Pandey then asked the Ambassador to send him a note detailing the requests submitted to the MFA by the Embassy.

Comment

17. (C) The Maoist-Parties pact came as a shock, especially given HMGN's strong belief that India had brokered it. FM Pandey sees his space constricting, and he appears almost desperate to garner some outside support. In September he had turned away from the U.S., but has now returned to pushing for a better relationship. In addition to being a reaction against India, this could be an acknowledgment that HMGN fears that the material support it will receive from China may not be enough to meet its needs.

MORIARTY